



4004

**ANNUAL REPORT**

OF

Name: SPRING VALLEY TELEPHONE COMPANY, INC.

Principal Office: S131 MCKAY AVE  
P.O. BOX 220  
SPRING VALLEY, WI 54767-0220

For the Year Ended: DECEMBER 31, 1999

TELECOMMUNICATIONS UTILITY  
TO  
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854  
Madison, WI 53707-7854  
(608) 267-9504

*This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.*

## **GENERAL RULES FOR REPORTING**

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

## SIGNATURE PAGE

I MAXWELL O.DOWNS of  
(Person responsible for accounts)

SPRING VALLEY TELEPHONE COMPANY, INC. , certify that I  
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

MAXWELL O.DOWNS 03/31/2000  
(Person responsible for accounts) (Date)

GENERAL MANAGER  
(Title)

## TABLE OF CONTENTS

Schedule Name	Page
Cover Page	1
General Rules for Reporting	2
Signature Page	3
Table of Contents	4
Annual Telecommunications Report Glossary of Terms	5
Abbreviations Used in Annual Reports	6
Identification and Ownership	7
Income Statement - Total Company	8
Notes to Income Statement or Balance Sheet	9
Balance Sheet - Assets (Class B Use Accounts Designated By *)	10
Balance Sheet - Liabilities (Class B Use Accounts Designated By *)	11
Important Changes During the Year	13
Affiliate Abbreviations	14
Affiliated Interest Transactions	15
Affiliated Assets and Liabilities	16
Telecommunications Plant in Service Class A & B	22
Telecommunications Plant in Service Class A & B (Sub-Class Accounts)	24
Accumulated Depreciation Class A & B	26
Accumulated Depreciation Class A & B (Sub-Class Accounts)	28
Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)	30
Retained Earnings (Acct. 4550)	37
Revenues - Class A & B (Class B Use Accounts Designated By *)	40
Expenses - Class A & B	41
Calculation of Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	43
Calculation of Assessable Revenues for Universal Service Fund Assessment Purposes	43
Other Income Accounts	44
Nonregulated Activities	45
Distribution of Salaries and Wages	46
Telephone Calls and Minutes of Use Per Month	47
Access Usage	48
Outside Plant Statistics at End of Year	49
Special Access Circuits in Use at End of Year	49
Service Data	50
Service Data - End of Year	52
Equipment Abbreviations	54
Manufacturer Abbreviations	54
Central Office Data - End of Year	55
General, Schedule Level and Schedule Line Footnotes	56

## **ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

<b>Access Line</b>	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
<b>Analog Signal</b>	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
<b>Cellular System</b>	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
<b>Central Office</b>	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
<b>Centrex</b>	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
<b>Channel</b>	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
<b>Customer</b>	A person who uses a telephone as a subscriber.
<b>Digital Signal</b>	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
<b>Equal Access</b>	The ability of the subscriber to use any long distance service by dialing the same number of digits.
<b>Exchange</b>	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
<b>Extended Area Service (EAS)</b>	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
<b>Extended Community Calling (ECC)</b>	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
<b>Feature Group A</b>	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

## ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

<b>Feature Group B</b>	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
<b>Feature Group C</b>	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
<b>Feature Group D</b>	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
<b>FX-IN</b>	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
<b>FX-OUT</b>	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
<b>Host Switching System</b>	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
<b>Local Access Transport Area (LATA)</b>	A geographic area within which an operating company may offer its telecommunications services.
<b>Mobile Telephone</b>	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
<b>Paging</b>	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
<b>Pair</b>	Two wires of a single circuit.
<b>Pay Station</b>	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
<b>Private Line Service</b>	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
<b>Private Branch Exchange (PBX)</b>	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
<b>Radio Common Carrier (RCC)</b>	A company which furnishes public telecommunications service using one or more radio channels.
<b>Remote Switching Unit (RSU)</b>	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

## **ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

<b>Route Miles</b>	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none"><li>1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.</li><li>2. One mile of a cross country route with any combination of outside plant facilities.</li><li>3. One mile of point-to-point microwave or radio link.</li><li>4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.</li><li>5. One mile of joint use line where the utility either owns the facility or leases space.</li></ol>
<b>Stand Alone Switch</b>	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
<b>Trunk</b>	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
<b>Wide Area Telephone Service (WATS)</b>	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
<b>Wire Center</b>	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

## ABBREVIATIONS USED IN ANNUAL REPORTS

<b>Acct</b>	.....	Account
<b>Accum</b>	.....	Accumulated
<b>Acq</b>	.....	Acquisition
<b>Admin</b>	.....	Administrative
<b>Alloc</b>	.....	Allocation
<b>Amort</b>	.....	Amortization
 <b>CO</b>	 .....	 Central Office
 <b>Depr</b>	 .....	 Depreciation
 <b>Equip</b>	 .....	 Equipment
<b>Exp</b>	.....	Expenses
<b>EOY</b>	.....	End of Year
 <b>FOY</b>	 .....	 First of Year
 <b>Info</b>	 .....	 Information
<b>ITC</b>	.....	Investment Tax Credit
 <b>Misc</b>	 .....	 Miscellaneous
 <b>Nonoper</b>	 .....	 Nonoperating
<b>Nonreg</b>	.....	Nonregulated
 <b>Oper</b>	 .....	 Operating
<b>Opns</b>	.....	Operations
<b>Orig</b>	.....	Originating
 <b>Prop</b>	 .....	 Property
 <b>Receiv</b>	 .....	 Receivable
<b>Reg</b>	.....	Regulated
<b>Rev</b>	.....	Revenues
 <b>Svcs</b>	 .....	 Services
 <b>Telecom</b>	 .....	 Telecommunications
<b>Term</b>	.....	Terminating
<b>TPIS</b>	.....	Telecommunications Plant in Service
<b>TPUC</b>	.....	Telecommunications Plant Under Construction
 <b>Uncoll</b>	 .....	 Uncollectible

## IDENTIFICATION AND OWNERSHIP

---

**Exact Utility Name:**            SPRING VALLEY TELEPHONE COMPANY, INC.  
**Utility Location:**            S131 MCKAY AVE  
   P.O. BOX 220  
   SPRING VALLEY, WI 54767-0220

**Utility Web Site Address:**

**When was utility organized?:** 07/07/1958

**Report any change in name and the effective date:**

---

**Officer in charge of correspondence concerning this report**

---

**Name:**            MAXWELL O. DOWNS  
**Title:**            GENERAL MANAGER

**Office Address:**    131 SOUTH MCKAY  
                                 P.O. BOX 220  
                                 SPRING VALLEY, WI 54767

**Fax Number:**        (715) 778 - 4433  
**Telephone Number:** (715) 778 - 4798  
**Email Address:**

**Individual or firm, if other than utility employee, preparing this report**

---

**Name:**            KIESLING ASSOCIATES LLP  
**Title:**            ACCOUNTING FIRM  
**Firm:**            KIESLING ASSOCIATES LLP  
**Office Address:**    6401 ODANA ROAD  
                                 MADISON, WI 53719-1155

**Fax Number:**        (608) 273 - 2383  
**Telephone Number:** (608) 273 - 2315  
**Email Address:**    www.kiesling-msn.com

**Person responsible for financial information contained in report**

---

**Name:**            MAXWELL O. DOWNS  
**Title:**            GENERAL MANAGER

**Office Address:**    131 SOUTH MCKAY  
                                 P.O. BOX 220  
                                 SPRING VALLEY, WI 54767

**Fax Number:**        (715) 778 - 4433  
**Telephone Number:** (715) 778 - 4798  
**Email Address:**

**Person responsible for statistical information contained in report**

---

**Name:**            MAXWELL O. DOWNS  
**Title:**            GENERAL MANAGER

**Office Address:**    131 SOUTH MCKAY  
                                 P.O. BOX 220  
                                 SPRING VALLEY, WI 54767

**Fax Number:**        (715) 778 - 4433  
**Telephone Number:** (715) 778 - 4798  
**Email Address:**

## IDENTIFICATION AND OWNERSHIP

---

**List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).**

---

**Name:** CHARLES D. RINGROSE  
**Address:** 122 NORTH RANDALL  
RIDGECREST, CA 93555

**Number of Shares Held:** 300  
**Beneficial Owner:** NONE

---

**Name:** SUE R. KROHN  
**Address:** 590 SHERRY LANE  
DEERFIELD, IL 60015

**Number of Shares Held:** 300  
**Beneficial Owner:** NONE

---

**List companies owned, controlled, or operated and form and extent of such ownership, control or operation.**

---

**Company Name:** SPRING VALLEY CELLULAR, INC  
**Form of Interest:** OWNED  
**Extent Of Interest:** 100%

---

**Company Name:** SPRING VALLEY LONG DISTANCE, INC  
**Form of Interest:** OWNED  
**Extent Of Interest:** 100%

**INCOME STATEMENT - TOTAL COMPANY**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
Operating Revenues (5000-5300)	985,834	861,649	<b>1</b>
<b>Operating Expenses</b>			
Plant Specific Operations Expense (6110-6410)	132,404	111,342	<b>2</b>
Plant Nonspecific Operations Expense	197,972	157,293	<b>3</b>
Customer Operations Expense (6610-6620)	146,659	140,653	<b>4</b>
Corporate Operations Expense (6710-6790)	211,003	177,802	<b>5</b>
Other Operating Income and Expense (7100)	0	0	<b>6</b>
Operating Taxes (7200)	116,365	121,049	<b>7</b>
<b>Total Operating Expenses</b>	<b>804,403</b>	<b>708,139</b>	<b>8</b>
<b>Net Operating Income</b>	<b>181,431</b>	<b>153,510</b>	<b>9</b>
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	125,232	113,211	<b>10</b>
Nonoperating Taxes (7400)	(401)	(5,426)	<b>11</b>
Interest and Related Items (7500)	86,418	86,399	<b>12</b>
Extraordinary Items (7600)	0	0	<b>13</b>
Nonregulated Net Income (7990)	47,648	31,468	<b>14</b>
<b>Total Nonoperating Income</b>	<b>86,863</b>	<b>63,706</b>	<b>15</b>
<b>Net Income</b>	<b>268,294</b>	<b>217,216</b>	<b>16</b>

## NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

- 
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

The accounting policies of the Company conform to generally accepted accounting principles. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Telephone operations reflect practices appropriate to the telephone industry. The accounting records of the company are maintained in accordance with Uniform System of Accounts for Class A and B Telephone Companies prescribed by the Federal Communications Commission as modified by the Public Service Commission of Wisconsin (PSCW).

### A. Property and Equipment

Telephone plant is capitalized at original cost, including the capitalized cost of salaries and wages, materials, certain payroll taxes, and employee benefits.

The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates, based on the estimated service lives of the various classes of depreciable property.

Renewals and betterments of units of property are charged to telephone plant in service. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation, together with removal cost less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable property. Repairs and renewals of minor items of property are included in plant specific operations expense.

### B. Income taxes

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities include the difference between carrying amounts of depreciable assets and partnership investment basis. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Investment tax credits (ITC) which were deferred prior to the Tax Reform Act of 1986 are being amortized over the regulatory life of the plant which produced the ITC

## NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

which produced the ITC.

### C. Revenue Recognition

Revenues are recognized when earned regardless of the period in which they are billed.

Revenues relating to the provision of access services to customers are derived, in part, from tariffed access charges to toll service providers (interexchange carriers), and in part from sharing in interstate and intrastate pools. Interstate revenues are determined in accordance with nationwide cost procedures for 1999 and average cost schedules for 1998.

The Company is compensated for intrastate access under access charge procedures based on expense and plant investment levels, as determined by the Company and approved by the PSCW.

### D. Cash Equivalents

All highly liquid investments purchased with a maturity of one year or less are considered cash equivalents.

### E. Investments

Non-marketable equity investments and temporary investments are stated at cost. Investments in affiliated companies greater than 20% are accounted for on the equity method.

- 
2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None

- 
3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The mortgage to the United States of America, underlying the RUS and RTB notes, contains certain restrictions on the declaration of payment of cash dividends, redemption of capital stock, or investment in affiliated companies. As of December 31, 1999, the maximum amount which could be distributed in accordance with these restrictions was \$302,000, except as might be specifically authorized in writing in advance by the RUS and RTB noteholders.

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120)*	401,899	390,118	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>401,899</b>	<b>390,118</b>	
<b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180)*	67,377	65,044	6
Accounts Receivable Allowance-Telecom (1181)*			7
<b>Net: Telecommunications Accounts Receivable</b>	<b>67,377</b>	<b>65,044</b>	
Other Accounts Receivable (1190)*	100,657	131,036	8
Accounts Receivable Allowance--Other (1191)*	0	0	9
<b>Net: Other Accounts Receivable</b>	<b>100,657</b>	<b>131,036</b>	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
<b>Net: Notes Receivable</b>	<b>0</b>	<b>0</b>	
Interest and Dividends Receivable (1210)*	425	1,673	12
<b>TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS</b>	<b>168,459</b>	<b>197,753</b>	
<b>SUPPLIES</b>			
Inventories (1220)*	19,033	15,847	13
<b>TOTAL SUPPLIES</b>	<b>19,033</b>	<b>15,847</b>	
<b>PREPAYMENTS</b>			
Total Prepayments (1280)*	2,343	3,261	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
<b>TOTAL PREPAYMENTS</b>	<b>2,343</b>	<b>3,261</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350)*	4,843	10,043	20
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>4,843</b>	<b>10,043</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>596,577</b>	<b>617,022</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Investment in Affiliated Companies (1401)*	489,388	370,740	21
RTB Class B Stock (1402)*	22,707	22,707	22
Other Investments in Nonaffiliated Companies (1402)*	9,400	9,400	23
Nonregulated Investments (1406)*	3,204	8,689	24
Unamortized Debt Issuance Expense (1407)*	1,124	1,175	25
Sinking Funds (1408)*	0	0	26

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Other Noncurrent Assets (1410)*	0	0	27
<b>TOTAL INVESTMENTS</b>	<b>525,823</b>	<b>412,711</b>	
<b>DEFERRED CHARGES</b>			
Deferred Tax Regulatory Asset (1437)*	0	0	28
Deferred Maintenance and Retirements (1438)*	0	0	29
Deferred Charges (1439)*	8,099	15,768	30
<b>TOTAL DEFERRED CHARGES</b>	<b>8,099</b>	<b>15,768</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>533,922</b>	<b>428,479</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001)*	3,135,161	2,725,787	31
Less: Accumulated Depreciation (3100)*	1,169,481	932,940	32
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	33
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	34
Less: Accumulated Amortization--Intangible (3500)*	0	0	35
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>1,965,680</b>	<b>1,792,847</b>	
<b>PROPERTY HELD FOR FUTURE USE</b>			
Prop. Held for Future Telecommun. Use (2002)*		0	36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*		0	37
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>0</b>	<b>0</b>	
<b>NONOPERATING PLANT</b>			
Nonoperating Plant (2006)*		0	38
Less: Accumulated Depreciation--Nonoperating (3300)*		0	39
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>0</b>	
<b>TPUC</b>			
TPUC (2003)*	8,357	0	40
<b>TOTAL TPUC</b>	<b>8,357</b>	<b>0</b>	
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>			
Telecommunications Plant Adjustment (2005)*		0	41
Less: Accumulated Amortization--Other (3600)*	0	0	42
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PLANT</b>	<b>1,974,037</b>	<b>1,792,847</b>	
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>3,104,536</b>	<b>2,838,348</b>	

**BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>Balance--EOY (b)</b>	<b>Balance--FOY (c)</b>	
<b>CURRENT LIABILITIES</b>			
Accounts Payable (4010)*	58,877	80,089	1
Notes Payable (4020)*		0	2
Advance Billing and Payments (4030)*		0	3
Customer Deposits (4040)*		0	4
Current Maturities--Long-Term Debt (4050)*	53,300	46,600	5
Current Maturities--Capital Leases (4060)*		0	6
Income Taxes--Accrued (4070)*	(55,537)	15,226	7
Other Taxes--Accrued (4080)*	(2,481)	(3,209)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*		0	10
Other Accrued Liabilities (4120)*	10,213	4,911	11
Other Current Liabilities (4130)*		0	12
<b>TOTAL CURRENT LIABILITIES</b>	<b>64,372</b>	<b>143,617</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210)*	1,559,558	1,359,111	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*		0	19
<b>TOTAL LONG-TERM DEBT</b>	<b>1,559,558</b>	<b>1,359,111</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities (4310)*	0	0	20
Unamortized Operating ITC--Net (4320)*	1,624	6,624	21
Unamortized Nonoperating ITC--Net (4330)*		0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	144,159	141,814	23
Net Deferred Tax Liability Adjustments (4341)*	(1,048)	(4,338)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(3,655)	(4,909)	25
Other Deferred Credits (4360)*	54,833	56,640	26
Deferred Tax Regulatory Liability (4361)*	1,048	4,438	27
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS</b>	<b>196,961</b>	<b>200,269</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510)*	60,000	60,000	28
Additional Paid-in Capital (4520)*	0	0	29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*	0	0	31
Retained Earnings (4550)*	1,223,645	1,075,351	32
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>1,283,645</b>	<b>1,135,351</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS</b>	<b>3,104,536</b>	<b>2,838,348</b>	

### **IMPORTANT CHANGES DURING THE YEAR**

- 
1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

**None**

---

2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

**During 1999, the Company adopted the AICPA, Accounting Standards Executive Committee, Statement of Position 98-1.**

## AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
SPRING VALLEY CELLULAR	SPVY CELL	1
SPRING VALLEY TELEPHONE LONG DISTANCE	SPVY LD	2

**AFFILIATED INTEREST TRANSACTIONS**

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

<b>Particulars</b>				
<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>
Docket	7072T1100			
Name of Affiliate	SPVY LD			<b>1</b>
Designate whether billed to or from:	TO			<b>2</b>
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M			<b>3</b>
Total Dollar Activity	24,509			<b>4</b>
Percent of affiliate's business billed to all affiliated regulated utilities				<b>5</b>
If cost based, rate of return on equity or markup incorporated in billings				<b>6</b>
Footnotes				

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

<b>Plant Account (a)</b>	<b>Account (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	6,785		<b>1</b>
Motor Vehicles	2112	77,879	30,616	<b>2</b>
Aircraft	2113			<b>3</b>
Special Purpose Vehicles	2114			<b>4</b>
Garage Work Equipment	2115			<b>5</b>
Other Work Equipment	2116	91,036	33,724	<b>6</b>
Buildings	2121	154,939	2,107	<b>7</b>
Furniture	2122	2,330		<b>8</b>
Office Equipment	2123	10,131	1,381	<b>9</b>
General Purpose Computers	2124	35,929	8,827	<b>10</b>
<b>TOTAL--GENERAL SUPPORT ASSETS:</b>		<b>379,029</b>	<b>76,655</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Analog Electronic Switching	2211			<b>11</b>
Digital Electronic Switching	2212	351,092	7,610	<b>12</b>
Electro-Mechanical Switching	2215	0	0	<b>13</b>
Operator Systems	2220			<b>14</b>
Radio Systems	2231	0	0	<b>15</b>
Circuit Equipment	2232	266,270	70,955	<b>16</b>
<b>TOTAL--CENTRAL OFFICE ASSETS:</b>		<b>617,362</b>	<b>78,565</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
Station Apparatus	2311			<b>17</b>
Customer Premises Wiring	2321			<b>18</b>
Large Private Branch Exchanges	2341			<b>19</b>
Public Telephone Terminal Equipment	2351			<b>20</b>
Other Terminal Equipment	2362	14,845		<b>21</b>
<b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>		<b>14,845</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>				
Poles	2411	1,230		<b>22 A</b>
Aerial Cable	2421	2,550	0	<b>23 A</b>
Underground Cable	2422	0	0	<b>24</b>
Buried Cable	2423	1,710,499	212,690	<b>25 A,N</b>
Submarine Cable	2424	0	0	<b>26</b>
Deep Sea Cable	2425			<b>27</b>
Intrabuilding Network Cable	2426	0	0	<b>28</b>
Aerial Wire	2431			<b>29</b>
Conduit Systems	2441			<b>30</b>
<b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>		<b>1,714,279</b>	<b>212,690</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681			<b>31</b>

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2111			6,785	1
2112	18,270		90,225	2
2113			0	3
2114			0	4
2115			0	5
2116			124,760	6
2121			157,046	7
2122			2,330	8
2123	1,951	0	9,561	9
2124	6,131		38,625	10
	<b>26,352</b>	<b>0</b>	<b>429,332</b>	
2211			0	11
2212	0	0	358,702	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	0	0	337,225	16
	<b>0</b>	<b>0</b>	<b>695,927</b>	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			14,845	21
	<b>0</b>	<b>0</b>	<b>14,845</b>	
2411		(1,230)	0	22 A
2421	0	(2,550)	0	23 A
2422	0	0	0	24
2423	0	71,596	1,994,785	25 A,N
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			0	30
	<b>0</b>	<b>67,816</b>	<b>1,994,785</b>	
2681			0	31

## TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
<b>AMORTIZABLE ASSETS</b>			
Leasehold Improvements	2682		32
Intangibles	2690	272	33
<b>TOTAL--AMORTIZABLE ASSETS:</b>		<b>272</b>	<b>0</b>
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>2,725,787</b>	<b>367,910</b>
Less: Allocation to Nonregulated Activity - EOY	2001		34
<b>NET REG. TOTAL TELE. PLANT IN SERV. - EOY</b>	<b>2001</b>		

Explain all amounts shown in column (g).

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2682			0	32
2690			272	33
	0	0	272	
	26,352	67,816	3,135,161	
2001			0	34
			3,135,161	

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)**

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subaccount (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
Office Support Equipment	2123.1	7,506	1,381	<b>1</b>
Company Communications Equipment	2123.2	2,625	0	<b>2</b>
Software	2212.1	0		<b>3</b>
Digital Switching - Central Office	2212.2	351,092	7,610	<b>4</b>
Digital Switching - Remote	2212.3	0		<b>5</b>
Step by Step Switching	2215.1	0		<b>6</b>
Crossbar Switching	2215.2	0		<b>7</b>
Satellite and Earth Station Facilities	2231.1	0		<b>8</b>
Other Radio Facilities	2231.2	0		<b>9</b>
Digital Circuit Equipment	2232.1	266,270	70,955	<b>10</b>
Analog Circuit Equipment	2232.2	0		<b>11</b>
Light Wave Circuit Equipment	2232.3	0		<b>12</b>
Aerial Cable - Nonmetallic	2421.1	0		<b>13</b>
Aerial Cable - Metallic	2421.2	2,550		<b>14 A</b>
Underground Cable - Nonmetallic	2422.1	0		<b>15</b>
Underground Cable - Metallic	2422.2	0		<b>16</b>
Buried Cable - Nonmetallic	2423.1	0		<b>17</b>
Buried Cable - Metallic	2423.2	1,710,499	212,690	<b>18 A,N</b>
Submarine Cable - Nonmetallic	2424.1	0		<b>19</b>
Submarine Cable - Metallic	2424.2	0		<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0		<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0		<b>22</b>

Explain all amounts shown in column (g).

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)**  
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1	1,951		6,936	1
2123.2			2,625	2
2212.1			0	3
2212.2			358,702	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			337,225	10
2232.2			0	11
2232.3			0	12
2421.1			0	13
2421.2		(2,550)	0	14 A
2422.1			0	15
2422.2			0	16
2423.1			0	17
2423.2		71,596	1,994,785	18 A,N
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>	
<b>GENERAL SUPPORT ASSETS</b>						
Motor Vehicles	2112	51,973	15.0	12,778	0	<b>1 B</b>
Aircraft	2113	0		0	0	<b>2</b>
Special Purpose Vehicles	2114	0		0	0	<b>3</b>
Garage Work Equipment	2115	0		0	0	<b>4</b>
Other Work Equipment	2116	38,497	8.0	8,163	0	<b>5 B</b>
Buildings	2121	48,273	3.0	3,881	0	<b>6</b>
Furniture	2122	1,166	7.0	163	0	<b>7</b>
Office Equipment	2123	7,331	12.5	1,124		<b>8 C</b>
General Purpose Computers	2124	25,553	20.0	7,559	0	<b>9</b>
<b>Total-- GENERAL SUPPORT ASSETS</b>		<b>172,793</b>		<b>33,668</b>	<b>0</b>	
<b>CENTRAL OFFICE ASSETS</b>						
Analog Electronic Switching	2211	0		0	0	<b>10</b>
Digital Electronic Switching	2212	72,722	10.0	35,547		<b>11</b>
Electro-Mechanical Switching	2215	0				<b>12</b>
Operator Systems	2220	0		0	0	<b>13</b>
Radio Systems	2231	0				<b>14</b>
Circuit Equipment	2232	82,175	8.0	24,748		<b>15</b>
<b>Total-- CENTRAL OFFICE ASSETS</b>		<b>154,897</b>		<b>60,295</b>	<b>0</b>	
<b>INFORMATION ORIG/TERM ASSETS</b>						
Station Apparatus	2311	0		0	0	<b>16</b>
Customer Premises Wiring	2321	0		0	0	<b>17</b>
Large Private Branch Exchanges	2341	0		0	0	<b>18</b>
Public Telephone Terminal Equipment	2351	0		0	0	<b>19</b>
Other Terminal Equipment	2362	6,559	10.0	1,484	0	<b>20</b>
<b>Total-- INFORMATION ORIG/TERM ASSETS</b>		<b>6,559</b>		<b>1,484</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>						
Poles	2411	1,230	6.0	0	0	<b>21 A</b>
Aerial Cable	2421	2,550	5.0			<b>22 A</b>
Underground Cable	2422	0				<b>23</b>
Buried Cable	2423	594,911	5.0	92,630		<b>24 A,N</b>
Submarine Cable	2424	0				<b>25</b>
Deep Sea Cable	2425	0		0	0	<b>26</b>
Intrabuilding Network Cable	2426	0				<b>27</b>
Aerial Wire	2431	0		0	0	<b>28</b>

## ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
<b>CABLE WIRE FACILITIES ASSETS</b>					
Conduit Systems	2441	0		0	0 29
<b>Total-- CABLE WIRE FACILITIES ASSETS</b>		<b>598,691</b>		<b>92,630</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>932,940</b>		<b>188,077</b>	<b>0</b>
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
<b>Net Regulated Total Accum Depreciation - 3100</b>					
<b>Columns e, f and I</b>					

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2112	18,270	0	7,000		53,481	1 B
2113		0	0		0	2
2114		0	0		0	3
2115		0	0		0	4
2116		0	0		46,660	5 B
2121		0	0		52,154	6
2122		0	0		1,329	7
2123	1,951				6,504	8 C
2124	6,131	0	0		26,981	9
	<b>26,352</b>	<b>0</b>	<b>7,000</b>	<b>0</b>	<b>187,109</b>	
2211		0	0		0	10
2212	0				108,269	11
2215	0				0	12
2220		0	0		0	13
2231	0				0	14
2232	0				106,923	15
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>215,192</b>	
2311		0	0		0	16
2321		0	0		0	17
2341		0	0		0	18
2351		0	0		0	19
2362		0	0		8,043	20
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,043</b>	
2411		0	0	(1,230)	0	21 A
2421	0			(2,550)	0	22 A
2422	0				0	23
2423	0			71,596	759,137	24 A,N
2424	0				0	25
2425		0	0		0	26
2426	0				0	27
2431		0	0		0	28

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2441		0	0		0	29
	0	0	0	67,816	759,137	
<b>3100</b>	<b>26,352</b>	<b>0</b>	<b>7,000</b>	<b>67,816</b>	<b>1,169,481</b>	
3100						30
<b>3100</b>						

**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)**

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subacct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>	
Office Support Equipment	2123.1	5,881	10.0	730		<b>1</b>
Company Communications Equipment	2123.2	1,450	15.0	394		<b>2</b>
Software	2212.1	0				<b>3</b>
Digital Switching - Central Office	2212.2	72,722	10.0	35,547		<b>4</b>
Digital Switching - Remote	2212.3	0				<b>5</b>
Step by Step Switching	2215.1	0				<b>6</b>
Crossbar Switching	2215.2	0				<b>7</b>
Satellite and Earth Station Facilities	2231.1	0				<b>8</b>
Other Radio Facilities	2231.2	0				<b>9</b>
Digital Circuit Equipment	2232.1	82,175	8.0	24,748		<b>10</b>
Analog Circuit Equipment	2232.2	0				<b>11</b>
Light Wave Circuit Equipment	2232.3	0				<b>12</b>
Aerial Cable - Nonmetallic	2421.1	0				<b>13</b>
Aerial Cable - Metallic	2421.2	2,550	5.0			<b>14 A</b>
Underground Cable - Nonmetallic	2422.1	0				<b>15</b>
Underground Cable - Metallic	2422.2	0				<b>16</b>
Buried Cable - Nonmetallic	2423.1	0				<b>17</b>
Buried Cable - Metallic	2423.2	594,911	5.0	92,630		<b>18 A,N</b>
Submarine Cable - Nonmetallic	2424.1	0				<b>19</b>
Submarine Cable - Metallic	2424.2	0				<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0				<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0				<b>22</b>

**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)**

<b>Subacct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2123.1	1,951				<b>4,660</b>	<b>1</b>
2123.2					<b>1,844</b>	<b>2</b>
2212.1					<b>0</b>	<b>3</b>
2212.2					<b>108,269</b>	<b>4</b>
2212.3					<b>0</b>	<b>5</b>
2215.1					<b>0</b>	<b>6</b>
2215.2					<b>0</b>	<b>7</b>
2231.1					<b>0</b>	<b>8</b>
2231.2					<b>0</b>	<b>9</b>
2232.1					<b>106,923</b>	<b>10</b>
2232.2					<b>0</b>	<b>11</b>
2232.3					<b>0</b>	<b>12</b>
2421.1					<b>0</b>	<b>13</b>
2421.2				(2,550)	<b>0</b>	<b>14 A</b>
2422.1					<b>0</b>	<b>15</b>
2422.2					<b>0</b>	<b>16</b>
2423.1					<b>0</b>	<b>17</b>
2423.2				71,596	<b>759,137</b>	<b>18 A,N</b>
2424.1					<b>0</b>	<b>19</b>
2424.2					<b>0</b>	<b>20</b>
2426.1					<b>0</b>	<b>21</b>
2426.2					<b>0</b>	<b>22</b>

# **NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)**

This schedule should be used to report the deferred operating income tax portion of the stated accounts.  
Credit amounts should be shown in ( ).

Particulars (a)	Balance EOY (b)	
<b>PROPERTY RELATED</b>		
Other Current Assets (1350)		1
Other Noncurrent Assets (1410)		2
Deferred Tax Regulatory Asset (1437)		3
Net Current Deferred Operating Income Taxes (4100)		4
Net Noncurrent Deferred Operating Income Taxes (4340)	(144,159)	5
Net Deferred Tax Liability Adjustments (4341)	1,048	6
Deferred Tax Regulatory Liability (4361)	(1,048)	7
<b>Net Property Related Deferred Operating Income Taxes</b>	<b>(144,159)</b>	
Less: Allocation to Nonregulated Activity	0	8
<b>Net Regulated Total Property Related Deferred Operating Income Taxes</b>	<b>(144,159)</b>	
<b>NONPROPERTY RELATED</b>		
Other Current Assets (1350)	4,843	9
Other Noncurrent Assets (1410)		10
Deferred Tax Regulatory Asset (1437)		11
Net Current Deferred Operating Income Taxes (4100)		12
Net Noncurrent Deferred Operating Income Taxes (4340)		13
Net Deferred Tax Liability Adjustments (4341)		14
Deferred Tax Regulatory Liability (4361)		15
<b>Total Nonproperty Related Deferred Operating Income Taxes</b>	<b>4,843</b>	

### RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,075,351	956,139	1
<b>Changes:</b>			
Balance Transferred from Income	268,294	217,216	2
<b>Dividends Declared:</b>			
Common	120,000	98,004	3
Preferred		0	4
<b>Total Dividends Declared</b>	<b>120,000</b>	<b>98,004</b>	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
<b>Balance--End of Year</b>	<b><u>1,223,645</u></b>	<b><u>1,075,351</u></b>	

**REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000)*	308,609	268,747	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
<b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>	<b>308,609</b>	<b>268,747</b>	
<b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>			
End User Revenue (5081)*	53,774	49,599	11
Switched Access Revenue (5082)*	309,236	251,455	12 D
Special Access Revenue (5083)*	3,446	3,563	13
<b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>	<b>366,456</b>	<b>304,617</b>	
<b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	175,350	161,238	15
Special Access Revenue (5084.3)*	25,499	20,888	16
<b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>	<b>200,849</b>	<b>182,126</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100)*	10,064	9,710	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
<b>Unidirectional Long Distance Revenue (5110)</b>	<b>0</b>	<b>0</b>	
<b>Long Distance Private Network Revenues</b>			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
<b>Total Long Distance Private Network Revenue</b>	<b>0</b>	<b>0</b>	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
<b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b>	<b>10,064</b>	<b>9,710</b>	

**REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>MISCELLANEOUS REVENUES</b>			
Directory Revenue (5230)*	43,827	41,886	<b>30</b>
Rent Revenue (5240)*	0	0	<b>31</b>
Corporate Operations Revenue (5250)*	0	0	<b>32</b>
<b>Miscellaneous:</b>			
Miscellaneous Revenue (5260)*	17,471	8,772	<b>33 E</b>
Special Billing Arrangements Revenue (5261)			<b>34</b>
Customer Operations Revenue (5262)			<b>35</b>
Plant Operations Revenue (5263)			<b>36</b>
Other Incidental Regulated Revenue (5264)			<b>37</b>
Other Revenue Settlements (5269)			<b>38</b>
<b>Total Miscellaneous Revenue (5260)</b>	<b>17,471</b>	<b>8,772</b>	
Interstate Billing and Collection Revenue*	13,943	15,022	<b>39</b>
Intrastate Billing and Collection Revenue*	25,380	32,589	<b>40 F</b>
<b>Total Carrier Billing and Collection Revenue (5270)*</b>	<b>39,323</b>	<b>47,611</b>	
Nonregulated Operating Revenue (5280)**			<b>41</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>100,621</b>	<b>98,269</b>	
<b>GROSS OPERATING REVENUES</b>	<b>986,599</b>	<b>863,469</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300)*	765	1,820	<b>42</b>
Uncollectible Revenue--Telecommunications (5301)			<b>43</b>
Uncollectible Revenue--Other (5302)			<b>44</b>
<b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>	<b>765</b>	<b>1,820</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>985,834</b>	<b>861,649</b>	

\*\* Account 5280 is to be used only by those companies subject to dual jurisdiction.

**EXPENSES - CLASS A & B**

<b>Particulars (a)</b>	<b>Total This Year (b)</b>	<b>Total Last Year (c)</b>	
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>			
Total Network Support Expense ( 6110 )	2,194	1,431	1
Less: Nonregulated	0	0	2
<b>Net Regulated</b>	<b>2,194</b>	<b>1,431</b>	<b>3</b>
Total General Support Expense ( 6120 )	12,955	7,742	4
Less: Nonregulated	0	0	5 H
<b>Net Regulated</b>	<b>12,955</b>	<b>7,742</b>	<b>6</b>
Total Central Office Switching Expense ( 6210 )	63,351	61,174	7
Less: Nonregulated	0	0	8
<b>Net Regulated</b>	<b>63,351</b>	<b>61,174</b>	<b>9</b>
Total Operator Systems Expense ( 6220 )	0	0	10
Less: Nonregulated	0	0	11
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>12</b>
Total Central Office Transmission Expenses ( 6230 )	4,252	5,838	13
Less: Nonregulated	0	0	14
<b>Net Regulated</b>	<b>4,252</b>	<b>5,838</b>	<b>15</b>
Total Information Orig. / Term. Expense ( 6310 )	0	0	16
Less: Nonregulated	0	0	17
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>18</b>
Total Cable and Wire Fac. Expense ( 6410 )	49,652	35,157	19
Less: Nonregulated		0	20 I
<b>Net Regulated</b>	<b>49,652</b>	<b>35,157</b>	<b>21</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>132,404</b>	<b>111,342</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>132,404</b>	<b>111,342</b>	
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>			
Total Other Property, Plant and Equip. Exp. ( 6510 )	369	705	22
Less: Nonregulated	0	0	23
<b>Net Regulated</b>	<b>369</b>	<b>705</b>	<b>24</b>
Total Network Operations Expense ( 6530 )	5,501	4,818	25
Less: Nonregulated	0	0	26
<b>Net Regulated</b>	<b>5,501</b>	<b>4,818</b>	<b>27</b>
Access Expense ( 6540 )	4,025	1,427	28
Less: Nonregulated	0	0	29
<b>Net Regulated</b>	<b>4,025</b>	<b>1,427</b>	<b>30</b>
Total Depreciation and Amortization Expense ( 6560 )	188,077	150,343	31
Less: Nonregulated	0	0	32 J
<b>Net Regulated</b>	<b>188,077</b>	<b>150,343</b>	<b>33</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>	<b>197,972</b>	<b>157,293</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>197,972</b>	<b>157,293</b>	

**EXPENSES - CLASS A & B**

<b>Particulars (a)</b>	<b>Total This Year (b)</b>	<b>Total Last Year (c)</b>	
<b>CUSTOMER OPERATIONS EXPENSE</b>			
Total Marketing ( 6610 )	0	0	<b>34</b>
Less: Nonregulated	0	0	<b>35</b>
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>36</b>
Total Services ( 6620 )	146,659	140,653	<b>37</b>
Less: Nonregulated		0	<b>38</b>
<b>Net Regulated</b>	<b>146,659</b>	<b>140,653</b>	<b>39</b>
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>146,659</b>	<b>140,653</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>146,659</b>	<b>140,653</b>	
<b>CORPORATE OPERATIONS EXPENSE</b>			
Total Exec. and Planning ( 6710 )	101,581	99,312	<b>40</b>
Less: Nonregulated	0	0	<b>41</b>
<b>Net Regulated</b>	<b>101,581</b>	<b>99,312</b>	<b>42</b>
Total General and Administrative ( 6720 )	109,422	78,490	<b>43</b>
Less: Nonregulated		0	<b>44 K</b>
<b>Net Regulated</b>	<b>109,422</b>	<b>78,490</b>	<b>45</b>
Provision for Uncollectible Notes Receiv. ( 6790 )	0	0	<b>46</b>
Less: Nonregulated	0	0	<b>47</b>
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>48</b>
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>211,003</b>	<b>177,802</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>211,003</b>	<b>177,802</b>	
<b>TOTAL EXPENSES</b>	<b>688,038</b>	<b>587,090</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>688,038</b>	<b>587,090</b>	

### EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. ( 6511 )	0	0	1
Provisioning Expense ( 6512 )	369	705	2
<b>Total: Reported in Account 6510</b>	<b>369</b>	<b>705</b>	
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	188,077	150,343	3 J
Depreciat. Exp.--Prop. Held for Future Tele. Use ( 6562 )	0	0	4
Amortization Expense--Tangible ( 6563 )	0	0	5
Amortization Expense--Intangible ( 6564 )	0	0	6
Amortization Expense--Other ( 6565 )	0	0	7
<b>Total: Reported in Account 6560</b>	<b>188,077</b>	<b>150,343</b>	

## CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

**Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.**

Description (a)	This Year (b)	
Gross Operating Revenues	986,599	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b>986,599</b>	

## CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	308,609	1
Plus: Total Intrastate Access Revenues (5084)	200,849	2
Plus: Total Long Distance Network Services Revenue	10,064	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): None	0	6
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b>519,522</b>	

## CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

**Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.**

Description (a)	This Year (b)	
Gross Operating Revenues	986,599	1
Plus: Collection of amounts previously written off	0	2
Less: Uncollectibles written off during the year	0	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)	0	7
Plus (or Less) Other (please specify): NONE	0	8
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b>986,599</b>	

## CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	308,609	1
Plus: Total Intrastate Access Revenues (5084)	200,849	2
Plus: Total Long Distance Network Services Revenue	10,064	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): None	0	6
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b>519,522</b>	

**OTHER INCOME ACCOUNTS**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Total Other Oper. Income and (Expense) (7100)	0	0	1
<b>OPERATING TAXES</b>			
Operating Investment Tax Credits--Net (7210)	(5,000)	(5,000)	2
Operating Federal Income Taxes (7220)	45,031	45,457	3
Operating State and Local Income Taxes (7230)	10,868	11,782	4
Operating Other Taxes (7240)	58,021	51,258	5
Provision for Deferred Operating Income Taxes--Net (7250)	7,445	17,552	6
<b>TOTAL OPERATING TAXES (7200)</b>	<b>116,365</b>	<b>121,049</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Dividend Income (7310)	0	0	7
Interest Income (7320)	10,856	12,397	8
Income from Sinking and Other Funds (7330)	0	0	9
Allowance for Funds Used During Construction (7340)	0	0	10
Gains or (Losses) from the Disposition of Certain Property (7350)	0	0	11
Other Nonoperating Income (7360)	118,649	102,055	12
Special Charges (7370)	4,273	1,241	13
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)</b>	<b>125,232</b>	<b>113,211</b>	
<b>NONOPERATING TAXES</b>			
Total Nonoperating Taxes (7400)	(401)	(5,426)	14
<b>INTEREST AND RELATED ITEMS</b>			
Total Interest and Related Items (7500)	86,418	86,399	15
<b>EXTRAORDINARY ITEMS</b>			
Extraordinary Items (7600)	0	0	16
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990)	47,648	31,468	17

## NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

<b>Nonregulated Activity (a)</b>	
Leasing and sales of customer premise equipment.	<b>1</b>
Provider of Internet access.	<b>2</b>

## DISTRIBUTION OF SALARIES AND WAGES

Description (a)	Amount (b)	
Regulated Expense	146,105	1
All Other Accounts	57,394	2
<b>Total Salaries and Wages</b>	<b>203,499</b>	3

## TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
<b>LOCAL</b>			
Intra-Exchange	0	0	1 L
Extended Area Service	0	0	2 L
Extended Community Calling	0	0	3
Other Local-Undefined	0	0	4 L
<b>Total Local</b>	<b>0</b>	<b>0</b>	
<b>TOLL</b>			
Toll	35	466	5
<b>Total Toll</b>	<b>35</b>	<b>466</b>	
<b>Total Local &amp; Toll</b>	<b>35</b>	<b>466</b>	

## ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.	39				2
Feature Group B -- Orig.	1				3
Feature Group B -- Term.					4
Feature Group C -- Orig.					5
Feature Group C -- Term.					6
Feature Group D -- Orig.	1,170	284	100		7
Feature Group D -- Term.	1,864	940	291		8

## OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	30	1
Strand miles of plant - fiber optics	240	2
Route miles of plant - microwave		3

## SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	2	1 M
56 kbps	0	5	2 M
64 kbps (DS0)	0	0	3 M
1.54 Mbps (DS-1)	0	0	4 M
45 Mbps (DS-3)	0	0	5 M
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

## OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	30	1
Strand miles of plant - fiber optics	240	2
Route miles of plant - microwave		3

## SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	2	1 M
56 kbps	0	5	2 M
64 kbps (DS0)	0	0	3 M
1.54 Mbps (DS-1)	0	0	4 M
45 Mbps (DS-3)	0	0	5 M
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

**SERVICE DATA**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Business</b>			
1 Party	204	229	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks			6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks	79	83	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)			12
Pay Telephone	0	0	13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider	0	0	15
Pay Stations - Public	2		16
- Semi-Public	4		17
- Cust. Owned	2		18
Other			19
<b>Total Business Lines</b>	<b>291</b>	<b>312</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	786	803	22
2 Party			23
4 Party			24
FX-Out (Switched)			25
Other			26
<b>Total Residential Lines</b>	<b>786</b>	<b>803</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>1,077</b>	<b>1,115</b>	<b>28</b>
Company Used Lines	9	9	29
<b>Total Lines Used</b>	<b>1,086</b>	<b>1,124</b>	<b>30</b>

### SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Miscellaneous</b>			
WATS Lines - OutWATS			3
WATS Lines - 800 Service			4
FX-In-intraLATA	0	0	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	7	7	7
Special Access-interLATA			8
(expressed in equiv. access lines)	0	0	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks			13
TSPS - Trunks			14
EAS - Trunks			15
Cellular Trunks (Pub. Sw. Net.)			16
Video Distance Learning			17
- discounted (special tariff)			18
<b>Customers</b>			
Business - 2 Party Customers			19
Business - 4 Party Customers			20
Residential - 2 Party Customers			21
Residential - 4 Party Customers			22
<b>Other</b>			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical			24
location of plant)	2,346,486	2,705,557	25
Total Company Square Miles	39	39	26
Total Company Route Miles	96	96	27
Footnotes		F	28
			29
			30

**SERVICE DATA - END OF YEAR**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	5090				1
<b>Business</b>					2
1 Party	229				3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks	---CONF---				7
Centrex Lines					8
Key System Trunks	83				9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)					12
Pay Telephone	0				13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider	0				15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other					19
<b>Total Business Lines</b>	<b>312</b>	<b>0</b>	<b>0</b>	<b>0</b>	20
<b>Residential (Incl. Emp. Concess.)</b>					21
1 Party	803				22
2 Party					23
4 Party					24
FX-Out (Switched)					25
Other					26
<b>Total Residential Lines</b>	<b>803</b>	<b>0</b>	<b>0</b>	<b>0</b>	27
<b>Total Bus &amp; Res Lines</b>	<b>1,115</b>	<b>0</b>	<b>0</b>	<b>0</b>	28
Company Used Lines	9				29
<b>Total Lines Used</b>	<b>1,124</b>	<b>0</b>	<b>0</b>	<b>0</b>	30

**SERVICE DATA - END OF YEAR (cont.)**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	5090				1
<b>Miscellaneous</b>					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA	0				5
Special Access-intraLATA					6
(equiv. access lines)	7				7
Special Access-interLATA					8
(equiv. access lines)	0				9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks					12
Feature Group D Trunks					13
TSPS - Trunks					14
EAS - Trunks					15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
<b>Customers</b>					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
<b>Other</b>					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	2,705,557				27
Exchange Square Miles	39				28
Exchange Route Miles	96				29
Footnotes					30

## MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

## EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

## MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

## EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

**CENTRAL OFFICE DATA - END OF YEAR**

When an exchange has more than one central office, data must be reported for each central office.

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>	
Exchange Name	SPRING VALLEY				1
PSCW Exchange ID	5090				2
Central Office Name	SPRING VALLEY				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	NTI				5
Year COE Installed	1996				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	R				8
Remote Host PSCW Exchange ID	1740				9
Remote Host PSCW Central Office ID	1				10
COE Generic Software Release No.	NA007				11
SS7?	Yes				12
9-1-1?	Yes				13
Access Lines - In Use	1,124				14
- Equipped	1,270				15
- Wired	1,400				16
Trunks - In Use	5				17
- Equipped	5				18
- Wired	5				19
ISDN Available?	Yes				20
ISDN Lines - In Use (BRI)	0				21
- In Use (PRI)	0				22
Switched 56 Service?	No				23
Switched 56 lines in use	0				24
Digital Transmission Facilities: DS-1 - In Use	4				25
DS-3 - In Use	1				26
Advanced Data Service Available:					
Packet Switching?	No				27
SMDS?	No				28
Frame Relay?	No				29
ATM (Asynchronous Trans. Mode)?	No				30
Video Information - Service Available?	No				31
- In Use (# lines) <sup>1</sup>	0				32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	68				33
No. of fiber strands working (LIT) in C.O.	22				34
No. of fiber strands for interoffice use	0				35
Miles of fiber sheath in wire center	30				36
Access Tandem Serving this C.O.:					
- C.O. Name	ELK LAKE				37
- PSCW C.O. ID	1740-01				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	Yes				41
Footnotes					42

<sup>1</sup> Teleco provided end-to-end facility.

## GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

### General Footnote

#### Accountants Compilation Report

To the Board of Directors  
Spring Valley Telephone Company  
Spring Valley, Wisconsin

We have compiled the balance sheets of Spring Valley Telephone Company as of December 31, 1999 and 1998, and the related statements of income and retained earnings for the years then ended, and the statement of cash flows for the year ended December 31, 1999, included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. We have also compiled the supplementary information presented in the prescribed form, except for pages 47 through 55.

Our compilation was limited to presenting in the form prescribed by the Public Service Commission of Wisconsin, information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements (including related disclosures) and the supplementary information are presented in accordance with the requirements of the Public Service Commission of Wisconsin, which differ from generally accepted accounting principles. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

The supplementary information contained on pages 47 through 55 of the accompanying prescribed form has not been audited, reviewed, or compiled by us, and, accordingly, we assume no responsibility for that information.

Kiesling Associates LLP  
Madison, Wisconsin  
March 28, 2000

---

### Schedule Footnotes

---

#### Schedule Line Footnotes

- A) To transfer cable to proper account
- B) Vehicles and other work equipment are depreciated on a per unit basis.
- C) Various depreciation rates are used within each account and sub-class account.
- D) Increase in monthly NECA settlements.
- E) Increase caused by a new fiber lease throughout 1999.
- F) Decrease in revenues caused by fewer meet point billings.

## **GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**

- H)** General support expenses fluctuate from year to year ranging from \$7,700 to \$15,500 since 1996. 1999 expenses are comparable to the last few years.
- I)** Increase in labor, overheads, and outside plant repair and maintenance during 1999.
- J)** Changed estimated useful life for various regulated plant accounts.
- K)** Increase in accounting and finance services charges during 1999.
- L)** Local telephone calls and minutes of use data are not available for lines 1, 2, and 4 of page 47. Spring Valley Telephone company is a flat rate company and the cost incurred for the necessary software and record keeping for usage sensitive recording would not be practical for information that will not be used elsewhere.
- M)** Reported amount of special access circuits of -0- is correct at EOY.
- N)** To adjust prior year retirements.